

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

|  |   |  |                      |
|--|---|--|----------------------|
| (1) DEPARTMENT<br>Public Health  | (2) MEETING DATE<br>6/16/2015                       | (3) CONTACT/PHONE<br>Nancy Rosen / 781-5518  |                      |
| (4) SUBJECT<br>Request to approve renewal agreements (Clerk's File) with Lucia Mar and San Luis Coastal Unified School Districts in the cumulative amount not to exceed \$6,500,000 for a five (5) year period from July 1, 2015 through June 30, 2020 to continue to access State pass through School Based Medi-Cal Administrative Activities (SMAA) funding. Districts 2, 3, and 4.   |   |  |                      |
| (5) RECOMMENDED ACTION<br>It is recommended that the Board: <ol style="list-style-type: none"> <li>1) Approve and direct the Chairperson to sign renewal agreements with both Lucia Mar and San Luis Coastal Unified School Districts from July 1, 2015 through June 30, 2020 in the cumulative amount not to exceed \$6,500,000 to continue to access State pass through School-Based Medi-Cal Administrative Activities (SMAA) funding;</li> <li>2) Authorize the Health Agency Director to sign future amendments to the Agreements with Lucia Mar and San Luis Coastal Unified School Districts that do not increase the level of General Fund support required by the Health Agency.</li> </ol> |   |  |                      |
| (6) FUNDING SOURCE(S)<br>Federal   | (7) CURRENT YEAR FINANCIAL IMPACT<br>\$1,250,000.00 | (8) ANNUAL FINANCIAL IMPACT<br>\$1,250,000.00  | (9) BUDGETED?<br>Yes |
| (10) AGENDA PLACEMENT<br><input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )  |   |  |                      |
| (11) EXECUTED DOCUMENTS<br><input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A   |   |  |                      |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)<br><br>SLO Coastal-19001551; Lucia Mar-19001552  |   | (13) BUDGET ADJUSTMENT REQUIRED?<br>BAR ID Number: N/A<br><input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A |                      |
| (14) LOCATION MAP<br>N/A   | (15) BUSINESS IMPACT STATEMENT?<br>No               | (16) AGENDA ITEM HISTORY<br><input type="checkbox"/> N/A    Date: <u>2/25/2014</u>   |                      |
| (17) ADMINISTRATIVE OFFICE REVIEW<br>Reviewed by Leslie Brown  |   |  |                      |
| (18) SUPERVISOR DISTRICT(S)<br>All Districts   |   |  |                      |

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director

DATE: 6/16/2015

SUBJECT: Request to approve renewal agreements (Clerk's File) with Lucia Mar and San Luis Coastal Unified School Districts in the cumulative amount not to exceed \$6,500,000 for a five (5) year period from July 1, 2015 through June 30, 2020 to continue to access State pass through School Based Medi-Cal Administrative Activities (SMAA) funding. Districts 2, 3, and 4.

## **RECOMMENDATION**

It is recommended that the Board:

- 1) Approve and direct the Chairperson to sign renewal agreements with both Lucia Mar and San Luis Coastal Unified School Districts from July 1, 2015 through June 30, 2020 in the cumulative amount not to exceed \$6,500,000 to continue to access State pass through School-Based Medi-Cal Administrative Activities (SMAA) funding;
- 2) Authorize the Health Agency Director to sign future amendments to the Agreements with Lucia Mar and San Luis Coastal Unified School Districts that do not increase the level of General Fund support required by the Health Agency.

## **DISCUSSION**

Health Agency staff works with both Lucia Mar and San Luis Coastal School Districts to access funding through the State Department of Health Care Services (DHCS) for School Based Medi-Cal Administrative Activities (SMAA). DHCS designated the San Luis Obispo County Health Agency as the lead governmental agency in San Luis Obispo County to be the pass-through entity for SMAA funds. The SMAA Program reimburses School Districts for a portion of the administrative costs that directly support efforts to identify and enroll eligible children into the Medi-Cal program and assist with access to Medi-Cal covered services. The administrative activities include:

- Referring students to medical services covered under Medi-Cal;
- Facilitating the Medi-Cal application;
- Arranging and providing transportation to Medi-Cal covered services;
- Contracting for Medi-Cal services;
- Medi-Cal program planning and policy development; and
- Medi-Cal administrative activities coordination and claims administration.

Allowable costs for SMAA include salaries and benefits of staff performing the activities and applicable operating expenses. School District employees are required to participate in random moment time sampling on a quarterly basis. DHCS typically reimburses approximately 50% of the cost of specific administrative activities.

In June 2012, the Centers for Medicare and Medicaid Services (CMS) notified DHCS that the SMAA program was placed on deferral status and claims submitted after this date were held in abeyance. CMS claimed that the SMAA time study survey methodology was not statistically valid and did not comply with the Office of Management and

Budget (OMB) Circular A-87 requirements. The payment deferral was applied to all claims owed to the schools for FY 2012-13 through FY 2013-14.

As of October 2014, CMS and DHCS have agreed on new invoicing and time survey methodologies. The new random moment time survey was implemented. School District employees receive an email instructing them to write down what they are doing at certain times of the day. The percentage of time spent on Medi-Cal Administrative Activities is used to calculate the invoice.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel has reviewed and approved the two renewal agreements as to form and legal effect.

#### **FINANCIAL CONSIDERATIONS**

The not to exceed combined total of the two agreements is \$1,300,000 per fiscal year. The recommended FY 2015-16 budget includes both the expense and revenue in the amount of \$1,250,000 for the two agreements. A budget adjustment is not requested at this time. The Public Health Department receives a 7% administrative fee (based on the quarterly invoices) for SMAA claims coordination and oversight to ensure that all State and Federal requirements are met. Approval of the renewal agreements will have no effect on the level of General Fund support required by the Health Agency.

#### **RESULTS**

Approval of the agreements will allow the Health Agency to continue to access federal funding for SMAA on behalf of Lucia Mar and San Luis Coastal School Districts. The funds allow schools to provide increased access to Medi-Cal services in the community that ultimately leads to a healthier population.

#### **ATTACHMENTS**

1. Clerk's File Statement for Renewal Agreements with Lucia Mar and San Luis Coastal Unified School Districts.